

WORK AT 50+

This note examines the context of work and departure from work, the facts about work for those aged 50+, why people leave work early or stay on in work, the desires of older workers, and concludes with some case studies of individuals who have benefited from working longer.

The context

The period from the 1970s to the 1990s was a period in which early retirement and early withdrawal from work was normal. Economic recession and structural change, particularly in manufacturing industries, accounted for many redundancies and for some, occupational pensions and generous exit arrangements allowed for extended pursuit of leisure in preference to work. Since the 1990s, as we have moved out of economic recession, the pattern of early exit from work has gone into reverse with increased economic activity for those in their 50s and 60s. The increase in life expectancy and other changes affecting those aged 50+ is also motivating individuals to work longer and the Government is pursuing policies that encourage those aged 50+ either into work or to extend their working lives.

The facts

- One million people over State Pension Age are working
- The employment rate for those aged 50+ has been rising – in the last 10 years the number has increased by 1.1 million
- Of those leaving full-time jobs, nearly as many continue working elsewhere on a part-time, temporary, or self employed basis as stop working immediately
- Reports identify that for some, leaving work can result in disillusionment, depression and ill health, poverty, insecurity and social exclusion
- The average age of retirement is 63 for men and 61 for women with less than 40% of men working at 65
- Ensuring adequate income in later life has become more complex: deferring your retirement boosts your disposable income and is one of the most effective ways of making good any shortfalls in retirement income
- Work is generally regarded as good for your health and wellbeing – it provides a motivation and challenge, a structure and framework, a social network, self esteem and independence, opportunities for new experiences and learning.

Why do people leave work early?

Despite the growth in employment by older workers many still leave work before State Pension Age. There are two types of factors at play. Some factors are pushing individuals out of work and some that are attractive are pulling individuals out of work. The most common push factors are ill health; redundancy; determination by the employer; pressures within the workplace such as long hours, intensity of work, loss of job satisfaction, stress; and the demands of caring responsibilities in the family.

The positive, pull, factors leading to work exit are achievement of financial security; a desire to find a new direction to their lives; to enjoy life while they are fit and young; a desire to spend more time with their partner / family to enrich the relationship.

Why do people stay at work?

Financial factors – outstanding mortgage; improving the quality of life and 'affordable extras'; desire to have a fully funded occupational pension; children still at university; non-working partners or other dependants; repairing earlier financial disadvantage caused by divorce, redundancy, health problems.

Attachment to work – positive feelings about work; positive benefits for their wellbeing and identity; few outside activities or identity.

There are some people who would like to work but cannot do so and the most significant issue for them is ill health.

Desire of older workers

The movement from work into retirement represents a significant period of transition and the ability to make meaningful choices and plan effectively is frequently made more difficult by a lack of understanding of all the factors around us and particularly the pensions and financial issues. A survey showed that many of us do think about our retirement from work: 41% of those aged 50 to 54 had given a lot of thought to their retirement arrangements and 48% of those aged 55 to 59. Only 39% of those aged 60 to 65 had given a lot of thought as there was a feeling it was too late to modify existing plans or to start if no plans were in place.

Many of us want greater control over our later working lives and about how and when to stop working. There is an increasing desire and awareness of the benefits of a phased retirement

with flexible working arrangements that allow us to continue working 'on our terms'. Among those fully retired, only 7% have retired gradually but 31% of those in work plan to retire gradually. There is recognition that to withdraw from paid work gradually was likely to improve long term happiness because it promotes planning for activities outside work and eases transitions into retirement.

Conclusions

There is no 'one size fits all' magic solution to our working patterns. For some there is a desire to leave paid work to find new directions, to enjoy life, or to spend time with a partner and family. For some there is no choice over when they leave work. Others may have a choice over how and when but will have different financial commitments or freedoms that will constrain or liberate their choices. Some will find the benefits from extending their working life – be they financial, wellbeing or social – very positive. We hope that in providing this map against which you can benchmark your own desires and situation we will be able to help you to think about your work and plan your future. Planning is the one thing that is essential; even if you expect to have no choice about leaving work, this provides a firm base on which to plan.

Finally we leave you with some case studies of those who have extended their working lives.

Henry is 67 and works full-time as a building site manager. "The extra money is alright. I'm in a fortunate position now. I have no mortgage to pay, all I have is utility bills. It's got to the stage where I am very fortunate financially. I did try and retire, but I went back. I think I was getting under the wife's feet. I picked up the evening paper and there was a job there and I rang them up and said 'you are looking for a site manager' and they said 'come in' and they started me straight away. I don't have to work. I wouldn't go hungry or be cold. It is my choice to work. I have friends who have retired and I have watched them deteriorate. I am definitely more alert than my non-working friends are."

Rose is just under 65. She works in a bar for 21 hours a week and has no real plans to retire although she has given up evening work. "I wouldn't meet as many people if I was retired, you know what I mean? You meet a lot more people. I fear not being motivated of a morning. Not having something to get up for if I was at home on my own. I enjoy work and I am not ready to retire and I fear being at home sort of vegetating. If I have got days off and I haven't got family coming round and I am not going out I can waste a complete day.

Whereas if I am working I am so organised. Work puts some structure in your life. People who work usually know the date and what day of the week it is".

Sidney was 77 when his second career began as a customer adviser at a B&Q garden centre in Wimbledon. He is still in the job 14 years later and says: "working with people of all ages gives youngsters the chance to learn a little from an old timer like myself... and they keep me young at heart".

Anne works as a support worker for a mental health charity. She is over 60 and works 30 hours a week. She plans to carry on working at least until her husband retires. "Otherwise I'd be on my own at home. I work for the money because it is nice to be able to afford extras. But I think I fear retiring as well. In two years time he will retire at 70 and that will make my mind up. Retirement at the moment would leave me on my own more. I think people are feeling healthier and younger in themselves and they aren't ready for retirement and this is what is making them go on. People are living longer. I mean at one time you were old if you were 65".

Mike works for Royal Mail filling in at Christmas, Easter and over the summer. He puts in nearly 6 months each year on a full-time basis. The rest of the year he spend pursuing his interests climbing and walking. He has no fixed plans to retire. "I enjoy the time that I am not working. I have a lot of interests. But when I am at work I enjoy it, so I have the best of both worlds. That is the way I look at it".

Felicity is over 60 and works as a Mystery Shopper, doing anonymous live testing of the services offered by different companies and organisations. She takes work when it is available, working on a contract basis for a number of companies. "You have a lifestyle and possibly if you stopped work you wouldn't be able to continue that lifestyle because you wouldn't have the finances. I think while you can and you feel you are enjoying the life and your lifestyle there is no reason to stop work is there? I am sure the mental stimulus has a lot to do with it as well. I don't know what you are supposed to feel like when you are 60. But if we still feel the same as we felt at 50 we don't want to stop what we are doing because we have only reached a number haven't we? In a way we can work with a different attitude because of the stage we are at. We don't have mortgages and are comfortable, so this money we are earning has no stress attached to it. We can go to work with a different attitude".